

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
March 17, 2005
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Norwood G. Clark, Jr., CPA, President; Leonard W. Jones, CPA, Vice President; Arthur M. Winstead, Jr., CPA, Secretary-Treasurer; Thurman L. Gause; Jordan C. Harris, Jr.; and Michael C. Jordan, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Ann J. Hinkle, Manager-Professional Standards; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, Executive Director, NCACPA; Tom Chenoweth, CPA, Highland Publishing Company; Birshari Cox; Tyrone Y. Cox, CPA; Curt Lee, Past President, NCSA; Eugene E. Nicholas, CPA; James A. Wall, CPA; and Beth A. Wood, CPA.

CALL TO ORDER: President Clark called the meeting to order at 2:05 p.m.

OATH OF OFFICE: Tyrone Y. Cox, CPA, was sworn the Oath of Office by President Clark.

ELECTION OF 2005-2006 OFFICERS: Mr. Harris moved and Mr. Winstead seconded the nomination of Leonard W. Jones, CPA, for President. The motion passed with seven (7) affirmative votes and zero (0) negative votes. Mr. Clark moved and Mr. Jordan seconded the nomination of Arthur M. Winstead, CPA, for Vice President. The motion passed with seven (7) affirmative votes and zero (0) negative votes. Mr. Winstead moved and Mr. Gause seconded the nomination of Jordan C. Harris, Jr., for Secretary-Treasurer. The motion passed with seven (7) affirmative votes and zero (0) negative votes.

MINUTES: The minutes of the February 21, 2005, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The financial statements for February 2005 were accepted as submitted.

Messrs. Harris and Gause moved to approve the proposed 2005-2006 budget. The motion passed with seven (7) affirmative votes and zero (0) negative votes (Appendix I).

NATIONAL ORGANIZATION ITEMS: The Board provided the Executive Director with guidance on a letter to the CBT Steering Group regarding Uniform CPA Examination fee increases.

The Board reviewed the NASBA Exposure Draft of the Uniform Accountancy Act Rules 5-1 and 5-2 and then asked the Executive Staff to prepare a response.

STATE AND LOCAL ORGANIZATION ITEMS: The Board reviewed information from the NCACPA and Office of the State Auditor on ethics courses.

The Board instructed the Executive Staff to prepare an outline for an ethics course which would meet the Board's CPE ethics course requirement.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Jones moved and the Board approved the following recommendations of the Committee:

200409-034 - Lillian Glover Young - Approve the signed Consent Order (Appendix II).

200501-002 - Melissa McDowell - Approve the signed Consent Order (Appendix III).

200103-011, 200106-054 - Approve a Notice of Hearing for June 21, 2005, at 10:00 a.m.

200211-069 - Approve a Notice of Hearing for May 16, 2005, at 10:00 a.m.

200405-019 - Close the case without prejudice and with a Letter of Warning.

200409-037 - Close the case without prejudice.

200410-045 - Close the case without prejudice.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Harris moved and the Board approved the following recommendations of the Committee:

Original Certificate Applications - The following were approved:

Donna S. Allen

Patrick Neely Bartlett

Steven Dean Johnson

Regina Lynn Love

Christopher Anthony McGurkin

Shawki Kenyatta Moore

Robert Earl Poole II

Lisa C. Rash

Sally Baumann Reynolds

James William Roland

Elizabeth Greiner Seay

Robert Kestler Sides

Adrienne DeAnne Smith

Ha Minh Sprinkle

Angela Dawn Taylor

Bryan Stephens Trogon

Michael Deane Wilson

Jason Michael Young

Reciprocal Certificate Applications - The following were approved:

Steven Lewis Cooper

Rebecca Anne Mathis Faris

Kevin Hancock Muller

Jacob Santo Pensler

Richard Joseph Puleo

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Anders Christian Anderson T03203
David Scott Andrews T03204
John Scott Biesecker T03205
John Donald Brader II T03206
Richard Max Koeckert T03208
Bernard Thomas Lepkowski III T03209
Carl Christopher Mallios T03210
Monica Paige Roberts T03211

Michelle Leigh Tracz T03212
Christopher Jason Colenzo T03213
Patrick Michael Fillippa T03214
Kimberly Bryant Kling T03215
Dennis William Meyer T03216
Susan Marie Naylor T03217
Jennifer Renee Pierson T03218
Curtis Robert Reinhart T03219

Reinstatements - The following were approved:

Mark Edward Burling #19127
Donna Forrest #20271
Henry William Fust #11115

Lora Benfield Lipe #18372
Catherine Hanlon Nieken #26605
Joyce Marie Perkins #27943

Reissuance of New Certificate - An application for reissuance of new certificate and consent agreement submitted by the following were approved.

Charles Elgin Oliphant #14165

Donald Hugh Taylor Sr. #3713

Firm Registrations - The following professional corporations, professional limited liability companies, and limited liability partnerships were approved by the Executive Director and ratified by the Board:

Blackman Kallick Bartelstein LLP
Deetra L. Bryant, CPA, PLLC
ELDREDGE, FOX & PORRETTI, LLP
Henderson & Cummings, P.L.L.C.
BRIAN J. JESSUP, CPA, PLLC
Kathryn L. Kisiel CPA PLLC
J. Lee Martin II, CPA, P.A.
McGregor & COMPANY, LLP

H. DONALD PICKETT & CO. PA
KATHY M. QUALLS, CPA, P.A.
Michele A. Sarno, CPA, P.A.
M. Schirtzinger, CPA, PLLC
Ronald D. Shore CPA, PA
WELLS-KEEFE, PA
Melody S. Willis, CPA, P.A.

Reclassifications - The Committee approved the following requests for retired status because the individuals are completely retired and do not receive any earned compensation for current personal services in any job whatsoever:

Kathryn M. Cando #28386
James William Carlin Jr. #8434

Clazina D. Hersman #29756
Mary Lou H. Nolan #3117

Extension Requests - The Committee approved the following individuals for extension for completion of CPE until the dates noted:

Mayhue Edwards #2126 (6/30/05)

Linda M. Gallimore #12313 (6/30/05)

The following requests were disapproved:

Susan J. Hill #18020

Shannon Teague Watters #24451

Randal Gene Mann #16313

Peer Review Matters - The firms listed below submitted a renewal or termination notice less than 60 days after the deadline. Staff recommended a conditional license until March 17, 2006, for all firm owners pursuant to 21 NCAC 8J .0111(1). The Committee approved staff recommendation:

Rory Todd Allran CPA # 17993

Pritchett, Siler & Hardy P.C.

Jolinda Rouse Boelkins CPA #16218

Alan Douglas Gregory #27291

Examinations - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

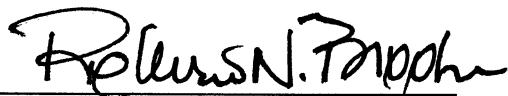
Carrie Dale Avera
Eric Brockman Bland
Jason Mitchell Burgin
Gregory Dennis Burns
Seth Winslow Davis
Sara Dildy
Christopher Kevin Eller
Michelle Carmen Faulkner
Christopher Robert Fielding
Christine Faulker Garrett
Sharie Renee Griffin
Susan Labriska Griffin
Jarrod R. Hand
Leon Douglas Hobbs
Carl Allen Howes Jr
Garrett Smith Jernigan
Robert Morgan Kershner
David Lee Little
Sonja Michele Martin
Stacey Smith Martin

Jeffery W. Mason
Mary Rachel Moore
Rebecca Adams Parks
Renea Elizabeth Pawelec
Diana Peters
David Scott Phillips
Steven Wayne Powers
Michael Lavenskey Simmons
Jonathan Blake Smith
Stacey Baird Stewart
Derrick Lamont Stockton
Hui Sun
Jane Elizabeth Tankersley
Polly Elaine Trinks
Anna Cole Vernon
Stephanie Walker
Shannon Teah Willert
Chen Wu
Michelle Yvonne Wyatt
Matthew Peter Yale

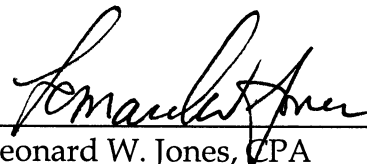
ADJOURNMENT: Messrs. Winstead and Clark moved to adjourn the meeting at 4:45 p.m.
Motion passed.

Respectfully submitted:

Attested to by:

A handwritten signature in cursive script, appearing to read "Robert N. Brooks", written over a horizontal line.

Robert N. Brooks
Executive Director

A handwritten signature in cursive script, appearing to read "Leonard W. Jones", written over a horizontal line.

Leonard W. Jones, CPA
President

NORTH CAROLINA STATE BOARD OF CPA EXAMINERS

Appendix I

2005-2006 BUDGET

	2004-05 FISCAL YEAR BUDGET	2004-05 ESTIMATED ACTUAL	2005-06 APPROVED BUDGET	REF.
REVENUES	1,645,042	1,662,836	1,822,989	A
RENTAL INCOME	0	0	0	
	<u>1,645,042</u>	<u>1,662,836</u>	<u>1,822,989</u>	
EXPENSES				
PERSONNEL	803,534	758,958	853,316	B
BOARD & LEGAL	238,808	236,255	242,423	C
OFFICE	203,770	204,263	211,180	D
EXAMINATION	360,322	356,152	473,269	E
BUILDING	27,904	23,397	33,279	F
REPLACEMENT OF THE SYSTEM	239,250	79,837	142,478 *	G
DATABASE SOFTWARE/ HARDWARE WITH SUPPORT AND MAINTENANCE				
ASSET PURCHASES	20,000	0	20,000 *	
	<u>1,893,588</u>	<u>1,658,862</u>	<u>1,975,945</u>	
AMOUNT BUDGETED FROM UNDESIGNATED NET ASSETS	<u>259,250</u>	<u>79,837</u>	<u>162,478</u>	
BUDGETED INCREASE(DECREASE) IN NET ASSETS	<u><u>10,704</u></u>	<u><u>83,811</u></u>	<u><u>9,522</u></u>	

* PROPOSED FUNDING FROM UNDESIGNATED NET ASSETS

(Rev 2/05)

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200409-034

IN THE MATTER OF:
Lillian Glover Young, #13783
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 13783 as a Certified Public Accountant.
2. In December of 2002, Respondent's firm received a second consecutive adverse peer review.
3. In January of 2003, NCACPA Peer Review Committee (Committee) informed Respondent of its acceptance of Respondent's peer review based on Respondent's agreement to complete certain requirements which included pre-issuance review of Respondent's next review engagement.
4. In February of 2004, the Committee informed Respondent that, based on Respondent's completion of the requirements referenced in the Committee's January letter, the Committee deemed Respondent's peer review to be "complete."
5. In February of 2004, Respondent or someone on Respondent's behalf provided the Board, in accordance with 21 NCAC 8M .0106 (a)(4), with copies of the Peer Review Report, Letter of Comments, Letter of Response, and Final Letter of Acceptance regarding the 2002 adverse peer review report for Respondent's firm.
6. Following two earlier pre-issuance reviews which noted deficiencies and errors to be corrected in said review reports, Respondent later issued a third review report that also contained other significant deficiencies and departures from applicable standards.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0209, .0212, and .0404.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is suspended from participating in, performing, or reviewing any attest services for at least three (3) years and until Respondent petitions the Board for reinstatement of Respondent's privilege to participate in, perform, or review attest services. A condition of said privilege, in the discretion of the Board, may be a requirement that Respondent pass the audit portion of the CPA exam or its equivalent under the Uniform CPA Examination requirements.

CONSENTED TO THIS THE 1 DAY OF MARCH, 2004.⁵

Lillian Glover Young
Respondent

APPROVED BY THE BOARD THIS THE 17th DAY OF March, 2004.⁵

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BOARD
SEAL

BY: Lemuel J. Smith
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200501-002

IN THE MATTER OF:
Melissa McDowell Wright, #26521
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 26521 as a Certified Public Accountant.
2. Respondent informed the Board on her 2004-2005 individual certificate renewal (renewal) that she had obtained forty (40) hours of continuing professional education (CPE) to meet the 2003 CPE requirement. However, Respondent also informed the Board on said renewal that she earned some of said CPE between January 1, 2004, and June 30, 2004.
3. Respondent signed her 2004-2005 renewal declaring "under penalties of perjury . . . that the information in this application is true, correct and complete."
4. Based on Respondent's representation that prior to June 30, 2004, she had completed a total of forty (40) hours of CPE, the Board accepted her renewal.
5. Respondent's failure to timely obtain the required CPE was her first violation of NCGS 93-12(8b) and 21 NCAC 8G .0401(e) within a five (5) year calendar period. Respondent's certificate was placed on conditional status until September 21, 2005, and the Board chose not to require the one hundred dollar (\$100.00) civil penalty.
6. Board staff requested by letter that, prior to October 4, 2004, Respondent provide course listings for the CPE reported to meet her 2003 CPE requirement.

7. In a letter dated October 4, 2004, Respondent reported to the Board that she had only completed thirty-five (35) hours of CPE prior to June 30, 2004, rather than the forty (40) hours of CPE claimed on her 2004-2005 renewal.
8. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (8b)a, 93-12 (9)c and 93-12 (9)e and 21 NCAC 8J .0101(b), 8N .0202(a), .0202(b)(3), .0202(b)(4), and 8N .0203(b)(1).

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is insufficient and untimely under NCGS 150B-3(a). Hence, her certificate is automatically forfeited pursuant to NCGS 93-12 (8b).
2. Respondent must return her forfeited certificate to the Board with this signed Consent Order.
3. Respondent may not apply for the reinstatement of her certificate for ninety (90) days from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return her certificate to active status by submission and approval of a reinstatement application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. 3 moral character affidavits, and
 - d. 40 hours of CPE in 12 months preceding the application including an eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group study format.

Consent Order - 3
Melissa McDowell Wright

5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted within six (6) months of the date this signed Order is accepted by the Board.
6. Before June 30, 2005, Respondent must obtain twenty (20) additional hours of CPE which cannot be used in meeting the CPE requirement for reinstatement or the forty (40) hour annual requirement for 2005.
7. Respondent agrees that failure to timely comply with any terms of this agreement and consent order shall be deemed sufficient grounds for revocation of her license.

CONSENTED TO THIS THE 1st DAY OF February, 2005.

Mel. Wright
Respondent

APPROVED BY THE BOARD THIS THE 17th DAY OF March, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BOARD
SEAL

BY: Thomas J. Amer
President